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RUEHGV/USMISSION GENEVA PRIORITY 1052  
RUCPDO/DEPT OF COMMERCE WASHINGTON DC PRIORITY  
RUEAHLA/DEPT OF HOMELAND SECURITY PRIORITY  
RHMFIUU/DEPT OF JUSTICE WASHINGTON DC PRIORITY  
RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY  
RHEHAAA/NSC WASHINGTON DC PRIORITY

UNCLAS SECTION 01 OF 02 MEXICO 003612

SENSITIVE

SIPDIS

STATE FOR EEB/IPE RACHEL WALLACE  
STATE PASS USTR FOR TANUJA GARDE  
STATE PASS COMMERCE FOR JENNIFER BOGER

E.O. 12958: N/A

TAGS: [KIPR](#) [ETRD](#) [ECON](#)

SUBJECT: MEXICO'S PIRACY SURVEY - SURVEY SAYS . . .

REF: 08 MEXICO 2866

¶1. (U) Summary: AmCham Mexico just released its second annual nationwide survey of consumption habits for pirated goods in Mexico. Three-quarters of the Mexican population knowingly purchase pirated products, mostly CD's and DVD's, due primarily to their lower prices as compared to the originals. On the positive side, almost half of Mexicans believe buying pirated good is illegal; most believe that piracy does weaken Mexico's security situation as well as has a negative effect on Mexico's economy. As the only survey of its kind in Mexico, it offers an insight into consumption habits Q who, what, where and why Q and establishes a benchmark to measure potential future progress in combating piracy in Mexico. End Summary.

¶2. (U) On Tuesday, November 25, the American Chamber of Mexico published its second annual survey regarding pirated goods consumption habits in Mexico. They celebrated the event with a panel of senior-level speakers from the executive, legislative and judicial branches of the Mexican government, as well as participants from the private sector and the media. Keynote speakers included: Under Secretary of Economy Felipe Duarte, who stressed the importance placed by the Calderon Administration in strengthening the Rule of Law and in protecting IPR and fostering innovation and competitiveness --two issues for which the Embassy has strongly lobbied; PAN Senator Jorge Ocejo, who recently presented legislation to reform the customs law and create a rightsholders database as well as give customs officers more time to seize or detain suspicious or illegal merchandise (see reftel); Chairman of the College of Magistrates and District Courts Jorge Arturo Camero, who has been a key player in fostering IPR awareness and best practices in the judicial branch. (Note: Camero publicly thanked the USG for its support in bringing IPR judges and experts to share their expertise with Mexican and Latin American judges and lawyers. End note.)

#### SURVEY OF FOUR MAJOR CITIES

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¶3. (U) AmCham and the U.S. Chamber of Commerce sponsored this survey in order to study the causes of piracy, but also to attempt to measure the impact of counterfeit goods on the Mexican economy. Through Grupo IDM, a local market research and analysis firm, they conducted a survey in September 2008 of 933 Mexicans ages 16-55 Q half of whom were women Q living in the four major Mexican cities of Mexico City, Guadalajara, Monterrey, and Tijuana. The

survey included 21 questions, of which three were open-ended, and the average interview lasted 15 minutes.

#### THREE OUT OF FOUR KNOWINGLY PURCHASE PIRATED GOODS

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14. (U) According to the survey, 76 percent of the residents of Mexico City, Guadalajara, Monterrey and Tijuana knowingly purchased pirated or counterfeit goods in 2007. This is down from the previous year, in which 9 out of 10 respondents affirmed they had knowingly purchased pirated or counterfeit goods. In the past six months, the 76 percent who had knowingly purchased pirated goods had bought primarily music CD's (63 percent) and DVD's (38 percent). Other pirated goods purchased included clothing, shoes, glasses, perfumes, videogames, cellphone accessories, watches, and cigarettes. Interestingly, consumers are reluctant to purchase such pirated goods as medicines, alcoholic beverages and foods due to potential health risks.

#### IT WAS CHEAP AT HALF THE PRICE

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15. (U) In one of the open-ended questions, 42 percent of the participants attribute the existence of piracy to the fact that they are cheaper to acquire. An additional 27 percent stated that original brands are more expensive. 7 percent responded that piracy exists because the government is corrupt and allows piracy to occur.

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16. (U) The principal driver for purchasing pirated goods, according to 75 percent of the participants, is the price. The primary method in which 44 percent of those surveyed knew they were purchasing pirated goods was also the price.

17. (U) 47 percent believe piracy to be an illegal act, up from 43 percent in 2007. 74 percent of the respondents consider piracy to be subversive to Mexico's security situation, and 84 percent believe piracy has a debilitating effect on the Mexican economy.

#### EVERYBODY'S DOING IT

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18. (U) According to the survey, all socioeconomic levels in Mexico participate in the purchase of pirated goods. The higher income participants revealed a greater tendency to purchase pirated shoes than other socioeconomic categories. Lower income respondents were more likely than others to purchase pirated CD's and DVD's. In terms of gender, the purchase of pirated goods is roughly equal between men and women. Men are more likely to purchase CD's and DVD's, cellphone accessories, and computer games. Women are more likely to purchase shoes, clothing, and perfume. By age, 25-34 year-olds buy pirated products the most, with ages 19-24 close behind.

19. (SBU) Post Comment: This survey offers an interesting analysis of the Mexican IP environment and what the public and private sectors are up against in their efforts to protect and enforce property rights. That it was produced by the local AmCham and was released along with several laudatory speeches from government IP officials demonstrates how strongly committed the Mexican stakeholders are to combating piracy. Unfortunately, it offers no proposals as to what steps should be taken to address this issue, something to which the Mexican Institute of Industrial Property (Mexico's USPTO counterpart) took exception this year, and on which Post will work with AmCham and the government to include in next year's survey. AmCham also hopes to conduct a separate survey to determine the level of IPR awareness in Congressmen. If successful, this will be quite useful for

the industry as well as the USG in our efforts to encourage stronger IP protection and enforcement legislation. End Post Comment.

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